



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
WENESDAY, FEBRUARY 7, 2024 – 2:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Wednesday, February 7, 2024 at 2:00 p.m. in the Town Hall Public Assembly. Present were Mayor Pro Tem Tom Myers; Commissioners Tracey Thomas and Rick Paarfus; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons, Finance Officer Daniel McRaney; Police Chief Jeremy Dixon; and Inspections Director Tim Evans; Commissioner Rick Smith participated via telephone. Mayor J. Alan Holden and Commissioner Page Dyer were unable to attend the meeting.

Mayor Pro Tem Myers called the meeting to order.

**PUBLIC COMMENT**

Martie Arrowood read a letter from Commissioner Dyer regarding her concerns about the meeting schedule and items on the special meeting agenda (hereby incorporated into the minutes).

Sylvia Pate detailed her concerns about seeing extra items on the agenda. She provided feedback on the interim attorney position.

**DISCUSSION AND POSSIBLE ACTION ON ACCEPTING BIDS FOR HARBOR ACRES DREDGE PROJECT AND ACCEPTANCE OF A GRANT FROM THE DIVISION OF WATER RESOURCES FOR THE PROJECT**

Shane Lippard from Right Angle Engineering joined via conference call. Assistant Town Manager Ferguson explained we had a bid opening yesterday. The most responsive bidder was TD Eure. Mr. Lippard said they talked to TD Eure. They confirmed their bid was solid. They are a well-known, respected marine construction company on the coast. They recommend award of bid to TD Eure for the dredge contract for the Harbor Acres canals. Assistant Town Manager Ferguson explained we are waiting on a permit so if the Board awards the contract, it should be contingent on obtaining permits.

*Motion by Commissioner Paarfus to award to the most responsible bidder, that is TD Eure and also to direct the town manager to execute the grant and the notice to proceed contingent on permits; second by Commissioner Thomas; approved by unanimous vote.*

## BUDGET WORKSHOP

Mayor Pro Tem Myers said the Board has a couple of loose ends from the first session.

*Motion by Commissioner Thomas to agree to use the vision statement in the Land Use Plan as our vision statement for our budget proceedings. The statement is Holden Beach will utilize its available resources to be an inclusive, family-orientated residential community that strives to protect and sustain its natural habitat and recreational beaches for current and future generations; second by Commissioner Paarfus.*

Mayor Pro Tem Myers said this is a carryover from the first session when the Board was setting their vision, priorities and goals.

*The motion passed by unanimous vote.*

*Motion by Commissioner Thomas to agree to the strawman for a successful budget (a. no tax increase, b. no fund balance appropriations from the General Fund or BPART Fund and c. set aside funds for beach renourishment); second by Commissioner Paarfus; approved by unanimous vote.*

*Motion by Commissioner Thomas to agree to the strawman of priority criteria for spending decisions (a. protecting the health and safety of our residents and visitors, b. providing reliable core services, e.g., water sewer police, streets, building codes, zoning, stormwater, canal dredging, ADA compliance, communication - BOC meetings, website, public input/surveys, etc., c. protecting property, e.g. from hurricanes, flooding, fires and d. providing amenities, e.g. recreation, pier/dog park/Block Q, additional parking, boat/car, concerts, activities); second by Commissioner Paarfus.*

Commissioner Smith said he was under the impression the Board wasn't going to vote during the budget workshops. Mayor Pro Tem Myers responded they are catching up from the kickoff meeting which would have set the vision, goals and priorities.

*The motion passed by unanimous vote.*

Public Works Director Clemmons explained the streets department budget was a little over \$1 million this year. There is a little over \$670,000 remaining. A big part of that is stormwater related. He will follow up on the salary line item which shows 91% used. He has seven employees which are split across the Public Works' funds. Finance Officer McRainey said the year-to-date number is as of February 1<sup>st</sup>. Public Works Director Clemmons provided information on the Town's street paving program. The plan needs to be updated. He explained we are going to try to get bids out for High Point Street. The program was discussed. Public Works Director Clemmons hopes to spend the money shown in the Bulkheads line within the next month. For the Street Drainage Projects line, Town Manager Hewett explained there is \$100,000 for the Corps' partner processing agreement. We did not know how the money would flow so \$100,000 on the revenue side and on the expense side shouldn't be there because that is money the

Town will not see. That is from the treasury directly to the Corps. When we were developing the budget, we didn't know how the money would play out. The Stormwater Study is being charged against this line. Professional Services and the Buildings and Grounds lines were discussed. The Board reviewed the remaining lines in the streets department budget. Public Works Director Clemmons answered the Board's questions.

Public Works Director Clemmons said the sanitation budget is \$222,761. The Contracted Services line includes half of the rollback program. Vegetative yard debris pickup is also in this line. Mosquito spraying is included in this budget. The rollback program is split between this fund and the BPART Fund. Public Works Director Clemmons will get a breakdown on the salary line items. Town Manager Hewett explained why the Public Works Department's salaries are split across funds. The recycling program was discussed.

Fund 30 (water and sewer) revenues were discussed. Public Works Director Clemmons provided information on water use charges. Town Manager Hewett explained under Loan Proceeds, it was the anticipated amount that was necessary to mate with the expense for the EPA STAG Grant to provide the funding for the corresponding expense line for the anticipated construction of the lift station. We are on a different path now with the state appropriation. The state is not on there because we didn't know that was in play when the budget was adopted and we haven't finalized it yet. The lift station project and funding were discussed. Finance Officer McRainey provided information on the performance indicator. The Town has special legislation to collect a capital charge. When you take that charge into consideration, the Town's ratios are okay. The Town explained that to the Local Government Commission in our letter and they said everything is okay. How the capacity charge is collected and how it can be used was discussed. Water use charges and sewer use charges were further discussed. How the installation of irrigation meters affects water use charges was discussed. Staff provided information on capital charges.

Public Works Director Clemmons reviewed expenditures in Fund 30. Items taken out of Professional Services and Contracted Services were discussed. M&R Water System was discussed. Public Works Director Clemmons explained that item increased so he could make sure he has required inventory in stock.

The Board took a recess from 3:28 p.m. – 3:38 p.m.

The Board continued talking about Fund 30. Public Works Director Clemmons reviewed the Purchases for Resale line item. How that line corresponds with the revenue line and consumption were discussed. He will need to see what the Equipment Purchase line was in last year's budget. Public Works Director Clemmons provided information on the Capital Outlay Valve Pits line. Big ticket items that still need to come out of this budget include a generator he needs to purchase for Pump Station 2. It has been ordered for over a year and is supposed to be here in March. Green Engineering is still finishing the asset inventory. Capital Outlay Major Equipment Sewer is for the upfit of the lift station. Public Works Director Clemmons doesn't think there will be enough funds to get a vacuum skid pump controller built.

He would like to work with AirVac to get a quote. Town Manager Hewett said there are no funds appropriated in this budget. The Vehicles line includes the lease payment for the vacuum truck and a new vehicle. The Town will own the vacuum truck at the end of the lease purchase agreement. Public Works' employees drive their vehicles home. The current vehicle purchase policy and how vehicles are sold were reviewed. Transfers to Capital Reserves are the capacity fees discussed earlier. The monies that have been collected on the revenue side have not been transferred yet. Those are end of year entries. Debt service and interest in Fund 30 were discussed.

Town Clerk Finnell explained she is the one who suggested combining the following items on to the budget agenda instead of calling a separate special meeting.

### **DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 24-02, RESOLUTION CONFIRMING SUPPORT OF THE KEY BRIDGE FOUNDATION ADA MEDIATION AGREEMENT**

Commissioner Thomas provided background on the proposed resolution. She explained the importance of releasing a statement that the Town remains fully committed to fulfilling the obligations of the Key Bridge Foundation ADA Mediation Agreement. She thought all the commissioners would be in attendance since it was a planned meeting.

*Motion by Commissioner Thomas to adopt the mediation resolution 24-02 as is; second by Commissioner Paarfus.*

Commissioner Smith apologized for not being at the meeting. He said the Board was told the meetings would not last longer than two hours and issues would not be voted on. He talked about transparency. Commissioner Paarfus said he thinks it is important to respond to the allegations. He thinks it is important that the Board reaffirms the commitment to the ADA agreement. Commissioner Paarfus thinks it is important for new commissioners to also make the commitment since it has been questioned. Mayor Pro Tem Myers said there were serious allegations made and explained their hands have been forced. He said the Board has to set the record straight. Hopefully the resolution will do that by addressing the unsubstantiated allegations and it will reaffirm the Board's intent to comply with the agreement. Mayor Pro Tem Myers added he thinks the Board needs to be more engaged in the execution of the agreement and thinks they need to have attendance at the quarterly meetings. He suggested that Commissioner Smith should be the one in attendance. Commissioner Thomas said she thinks that the Board needs to publicly state that we are still committed to the agreement. This time was chosen because they felt this would be the time all the commissioners would be available since it was a standing meeting that there was plenty of notice for. The request was originally a special meeting for after the budget meeting, but the items were just added to this meeting.

*The motion passed by unanimous vote.*

## **DISCUSSION AND POSSIBLE ACTION RELATED TO MR. GREEN'S CONTRACT WITH THE TOWN OF HOLDEN BEACH**

Commissioner Thomas said Mr. Green has not provided the commissioners with a resignation letter. The letter was sent to Mayor Holden on January 16<sup>th</sup> and read aloud at the January 23<sup>rd</sup> meeting. She said it is not a valid resignation letter because Mr. Green does not report to Mayor Holden per NCGS 160A-173.

*Motion by Commissioner Thomas to terminate Mr. Green's contract with Holden Beach effective immediately; second by Commissioner Paarfus.*

Mayor Pro Tem Myers stated there are rules related to terminating representation; an attorney cannot just drop off a letter that says I quit. He said a town attorney owes an allegiance to a town and not to particular officials. He provided further information on terminating representation. He said since it appears the rules were not followed, it is likely the resignation is not valid. He is also concerned that if the Board accepts the letter, they also accept the allegations in the letter. Commissioner Thomas said Mr. Green made unsupported allegations against several commissioners and gave no notice as is protocol.

*The motion passed by unanimous vote.*

## **DISCUSSION AND POSSIBLE ACTION ON HIRING AN ATTORNEY FOR THE TOWN OF HOLDEN BEACH**

*Motion by Commissioner Thomas to retain Sydnee Moore as an interim Town of Holden Beach attorney and instructing the town manager to sign a letter of engagement; second by Commissioner Paarfus.*

Sydnee Moore provided her background. Mayor Prio Tem Myers said he thinks the only question that has been raised is regarding using outside resources for areas outside her expertise. Ms. Moore explained she has plenty of resources and a good network to contact if there are issues. Mayor Pro Tem Myers said he reached out to attorneys who served Holden Beach before and was given names of some attorneys, but we have a definite need now. Ms. Moore agreed she would serve as the interim attorney and she would be happy to put a proposal in for the permanent position if it works out. Town Manager Hewett asked about approval for the specialized counsel item listed in the engagement agreement. Ms. Moore said she can write in that special counsel would only be with Board direction.

*The motion passed by unanimous vote.*

Ms. Moore will contact Mr. Green to obtain the Town's records.

Commissioner Paarfus will add soliciting a permanent attorney to the next agenda.

**RECESS**

*Motion by Commissioner Paarfus at 4:29 p.m. to recess to Friday morning at 9:00 a.m., February 9<sup>th</sup>; second by Commissioner Thomas; approved by unanimous vote.*

ATTEST:

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J. Alan Holden, Mayor

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Heather Finnell, Town Clerk